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UNCLAS TEL AVIV 000274

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

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CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

SIPDIS

E.O. 12958: N/A TAGS: OPRC KMDR IS

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

The electronic media reported that a suicide bomber blew himself up this morning at Dimona's commercial center and that another was shot by the police before detonating explosives. A woman was killed and 11 other Israelis were injured. The media reported that Fatah's Al-Aqsa Martyrs Brigades, the PFLP, and an unknown Palestinian group have claimed responsibility for the bombing.

Defense Minister Ehud Barak announced that he will remain in the government "until the right time ... that is not far away". All media brought up his earlier statements that he was planning to call for early elections after the Winograd Report's publication. Barak was also quoted as saying: "I know which challenges Israel faces -- Gaza, Hizbullah, Syria, Iran, and rehabilitating the army." Media reported that PM Ehud Olmert reacted by saying that it was the right decision and that a stable government was a "national objective." The Jerusalem Post quoted Barak's associates as saying that Barak's announcement gives Olmert "nine months of political quiet," and that Barak will expect more political influence in return for the reprieve.

Media reported that this evening seven Knesset members (four from the Labor Party, two from Kadima, and one from the Pensioners Party) might oppose an announcement that PM Olmert will make about the Winograd Report. Yediot quoted Construction and Housing Minister Meir Sheetrit as saying that seven rebels might topple the government. On Sunday Ha'aretz reported that Yossi Sarid, the former Meretz leader, and Yaakov Hisdai, who was a member of the Agranat Commission that investigated the Yom Kippur War, will speak today at a demonstration in front of the Knesset while the Winograd report is being debated inside.

Major media reported on Sunday that PM Olmert decided, over the protest of Shin Bet head Yuval Diskin, to release Palestinian prisoners "with blood on their hands." Yediot reported that Israel will agree to include in the list of released prisoners terrorists who took part in the murder of Palestinians who collaborated with Israel, and members of terror squads who themselves did not murder. Israel Radio quoted Shas leader and cabinet minister Eli Yishai as saying that he opposes such a deal. Maariv quoted Arab sources involved in the negotiations with Hamas as saying that Israel has recently received a new letter by captive soldier Gilad Shalit. Maariv quoted Egyptian sources as saying that this has resulted in stepping up contacts toward a prisoner swap. On Sunday The Jerusalem Post quoted defense sources as saying over the weekend that Hamas leaders are using Shalit as a kind of protection against IDF attacks.

Ha'aretz quoted Egyptian President Hosni Mubarak as saying on Sunday that Cairo wants Hamas and Fatah to jointly operate the border crossing between Gaza and Egypt. The media reported that the border was closed on Sunday my mutual agreement of Egypt and Hamas. On Sunday the Israeli press quoted Hamas PM Ismail Haniyeh and his senior aide, Ahmed Yousef, as having said on Saturday that their aspiration was to sever the Gaza Strip's economic relations with Israel. However, The Jerusalem Post reported today that under pressure from Egypt, Hamas backtracked from its call for economic disengagement from Israel.

Major media reported that Shin Bet head Yuval Diskin told the cabinet on Sunday that long-range rockets and anti-tank and anti-aircraft missiles have been smuggled into the Gaza Strip over the past 12 days.

The Jerusalem Post reported that the USS San Jacinto, a missile ship set to dock at Haifa Port on Monday, is equipped with an anti-missile defense system that could be deployed in the region in the event of an Iranian missile attack against Israel.

Leading media quoted Shin Bet head Yuval Diskin as saying on Sunday that a restaurant/disco adjacent to the Israeli Embassy in Nouakchott, and not the embassy itself, was the target of Friday morning's shooting in the Mauritanian capital. The Jerusalem Post found a contradiction between Diskin's comment and a claim of responsibility by an Al-Qaida affiliate.

All media reported that IDF troops exchanged fire last night with two armed men trying to infiltrate Israel's northern border with Lebanon in the village of Ghajar. Ha'aretz quoted security sources in Beirut as saying that a Lebanese citizen was killed in the incident and another was seriously wounded. The media quoted an IDF spokesman as saying that the Lebanese men were attempting to smuggle

drugs into Israel.

The Jerusalem Post quoted investigative journalist Seymour Hersh as writing in The New Yorker's upcoming issue that Israel did not have a clear idea of the nature of the facility it targeted in Syria on September 6.

Leading media reported that PM Olmert has instructed Defense Minister Barak to request that the PA repair the Joseph's Tomb complex in Nablus. Barak is expected to discuss this with Palestinian PM Salam Fayyad.

Ha'aretz reported that Israelis and Palestinians involved in interfaith contacts recently drafted a cease-fire agreement between Israel and Hamas. The document, whose implementation includes the release of Gilad Shalit, was submitted to the Israeli cabinet and to the Hamas government in the Gaza Strip. Rabbi Menachem Froman of the West Bank settlement of Tekoa has for years been involved in interfaith dialogue toward Israeli-Palestinian peace. For several months he has been working closely with Khaled Amayreh, a Hebron-area journalist who is close to Hamas.

On Sunday Ha'aretz reported that the officer of an army unit that shot a Palestinian without justification last July was sentenced last week to 15 months in prison and a demotion.

Ha'aretz quoted Agriculture Minister Shalom Simhon as saying on Sunday that Israel is considering stopping all agricultural exports from Gaza to Europe via Israel. He said that the cause is not political, but rather health and safety.

On Sunday The Jerusalem Post reported that amid growing military between Jerusalem and Bogota, Colombian Defense Minister Juan Manuel Santos will arrive in Israel on Sunday for his first state visit.

On Sunday Maariv reported that Jewish property was vandalized in the mostly Druze village of Pekiin in the Galilee.

Maariv reported that a NASA delegation recently met with senior IDF officers and warned them about the threat of the secret U.S. satellite L-21 crashing into an inhabited area in a few weeks.

On Sunday The Jerusalem Post reported that the Israeli-American firm Amdocs and the Israeli NICE Systems have recently made in-roads in the U.S. market.

Mideast:

Summary:

The independent, left-leaning Ha'aretz editorialized: "The government, in its present composition in particular, has no reason to continue to exist if it does not intend to bring about an agreement with the Palestinians. For any other purpose, it can be replaced with a right-wing government.'

Senior columnist Nahum Barnea wrote on page one of the mass-circulation, pluralist Yediot Aharonot: "Olmert's government does not enthuse [Labor Party voters], that is for certain, but they are less enthusiastic about the alternative -- early elections and a Likud-right wing government."

The conservative, independent Jerusalem Post editorialized: "However long the Olmert government manages to survive in office, one fears the devalued political culture it has embraced will be with us for a lot longer."

The nationalist, Orthodox Makor Rishon-Hatzofe editorialized (2/3): "The stronger the connection Gaza has with Egypt, the stronger the Egyptian control over the area will be and the more likely it will become that there will be quiet."

The Jerusalem Post editorialized: "It seems plain that the freeze [of the settlement blocs] is a direct consequence of American pressure, amid Bush's accelerated 2008 countdown to a permanent

Block Quotes:

¶I. "The Meaning of Responsibility"

The independent, left-leaning Ha'aretz editorialized (2/4): "In spite of the fat that he agreed that the Winograd report is harsh in terms of the government, and in spite of his express promise to resign if the findings of the commission pointed to failures by the man who heads it, Ehud Barak has decided to remain in his post.... The government, in its present composition in particular, has no reason to continue to exist if it does not intend to bring about an agreement with the Palestinians. For any other purpose, it can be replaced with a right-wing government... There are quite a few security experts in Israel, but apparently only one coalition, centered around Kadima and Labor, that is capable at this moment of launching a political process, legislating evacuation-compensation arrangements already now for settlers who are interested in returning to Israel, dismantling outposts, and utilizing the coming year to sign a final-status agreement with the government of Mahmoud Abbas. Such an opportunity will not return soon, and the footsteps of the approaching right-wing 'orange' government can already be heard loud and clear."

II. "Barak against Time"

Senior columnist Nahum Barnea wrote on page one of the mass-circulation, pluralist Yediot Aharonot (2/4): "There is no glory in [Ehud Barak's] decision [to remain in the government], certainly no moral glory. Barak made a commitment, explicitly or implicitly, to bring about the Labor Party's withdrawal from the government on the day that Winograd was to submit his final report. This commitment was made as part of a political alliance he forged with [Labor Knesset Member] Ophir Pines. Barak committed himself --unwillingly -- to withdraw, and Pines called upon his supporters to vote for him. It is improper to break promises, particularly when Barak has already received his reward in the polls. This is not the norm to which pupils are educated in civics classes. But it is doubtful whether Barak could have acted differently... Leaving [the government] now would have benefited neither Barak nor his party. It is doubtful whether the Labor Party voters who were in favor of leaving nine months ago still think so today. Olmert's government does not enthuse them, that is for certain, but they are less enthusiastic about the alternative -- early elections and a Likud-right wing government."

III. "Devalued Norms"

The conservative, independent Jerusalem Post editorialized (2/4): "Menachem Begin and Golda Meir both experienced disastrous wartime failures that were largely the fault of the defense establishment.... In Olmert's case, the fact that the vast majority of the electorate profoundly disapproves of his leadership and believes he must step down over the war's missteps; the fact that reservists who may be called upon again sooner or later to risk their lives.... Instead, the prime minister is thriving in the area where he is indeed expert -- political survival.... The ability to feel and act on shame, once eroded, unfortunately, is difficult to rebuild. However long the Olmert government manages to survive in office, one fears the devalued political culture it has embraced will be with us for a lot longer."

IV. "Keeping Our Interests"

The nationalist, Orthodox Makor Rishon-Hatzofe editorialized (2/3): "The stronger the connection Gaza has with Egypt, the stronger the Egyptian control over the area will be and the more likely it will become that there will be quiet. Of course, that depends on whether the Egyptians are interested in that and whether they are more interested in achieving that than Hamas. Meanwhile, Israel needs to demonstrate that it is keeping all of its military and economic options open to stop the Qassam rocket fire. On Saturday there was sporadic rocket fire into the western Negev. Every resumption of rocket fire needs to be met with a response -- be it by means of exacting a heavy military price or by means of cutting the power supply. Israel has to prove to the Palestinians that it will not

balk at using the most severe means at its disposal. The Hamas leaders should be reminded that if they behave like the leaders of a terrorist organization then that is how they will be treated."

¶V. "Capitulation to All"

The Jerusalem Post editorialized (2/3): "The security and demographic imperative to maintain the settlement blocs in the Jerusalem area is compelling.... It seems plain that [their] freeze is a direct consequence of American pressure, amid Bush's accelerated 2008 countdown to a permanent Israeli-Palestinian accord. At the same time, it should be noted, the government is demonstrating a parallel tendency to capitulation when it comes to the illegal West Bank outposts it has pledged repeatedly to dismantle. Month after month goes by, promises are gravely repeated, nothing happens on the ground, and the government's domestic and international credibility declines inexorably -- in the process reducing any prospect of outside support for those settlement interests that are truly vital. With settlement, as with so many other areas of policy, the government's only aspiration seems to be survival. And if survival means capitulating to American pressure one day, and pressure from the champions of the illegal outposts the next, so be it. The terrible consequence, of course, is the sacrificing of crucial Israeli interests along the way."

JONES